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Guidelines for Ethical Procurement Practices

The vendor and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State, as set forth in Indiana Code §4-2-6 et seq., the regulations promulgated thereunder, and Executive Order 04-08, dated April 27, 2004.







If the vendor is not familiar with these ethical requirements, the vendor should refer any questions to the Indiana State Ethics Commission, or visit the Indiana State Ethics Commission website at <http://www.in.gov/ethics/>.

In our positions, as stewards of state taxpayer’s money, our fellow citizens hold us in INDOT’s Procurement Section to a high standard of special trust. It is our sincere hope that you, our vendors, will assist us in maintaining this high standard by avoiding any potential conflict of interest with our purchasing staff. It is incumbent upon us to strictly forbid such a conflict; please help us do our part.

How INDOT Buys

The Indiana Department of Transportation (INDOT) has very specific procurement procedures, based predominantly on the estimated value of the procurement. When an INDOT location wishes to make a purchase, they must first estimate a value for that good and/or non-professional service.

METHODS OF SOLICITATIONS

-  Purchases less than \$1,000
-  Purchases Between \$1,000 and \$25,000
-  Purchases Between \$25,000 and \$75,000
-  Purchases Greater than \$75,000
-  Quantity Purchase Award (QPA) Agreements
-  Requests for Proposal (RFP)

Purchases Less than \$1,000

Procurements with an estimated cost not to exceed \$1,000 may be purchased under a small procurement method. The INDOT location shall invite bids from at least one (1) person known to deal in the goods and/or non-professional services to be procured. Upon receipt of an invoice, the INDOT location will process payment through the Special Disbursement Officer (SDO) account.



Purchases Between \$1,000 and \$25,000

INDOT locations have delegation of authority to solicit their own bids procurements greater than \$1,000 but less than \$25,000.

These locations are required to follow the same statutes, laws and policies and procedures that INDOT's Procurement Section follows. Awards are made to the lowest responsive **AND** responsible bidder meeting the criteria outlined in the solicitation package and INDOT's requested and required specifications.

INDOT locations procuring items under these situations have the authority to process payment by a Claim Voucher (method of payment) directly by the Auditor's office.

Once an award has been finalized, the bid file becomes open to the public. Should a vendor wish to obtain more information regarding the competing bids, he or she should contact the respective INDOT location for the desired information by referring to the bid/requisition number.

Please note that not every vendor is notified each time that INDOT needs to make a purchase.

Purchases Between \$25,000 and \$75,000

Under IC 105 IAC 12-3-2, INDOT may use small purchasing procedures for all requisitions not exceeding \$75,000. If the estimated value of the purchase exceeds \$25,000, the INDOT location submits a requisition package to INDOT's Procurement Section.

A buyer will then solicit bids from vendors on the Invitation for Bid (IFB) package, which provides specifications, allowing a reasonable amount of time for responses. Buyers generally solicit bids from at least three (3) known sources. In addition, postings are placed on INDOT's Internet site (<http://www.in.gov/dot/business/pro/index.html>), which usually generates additional vendor responses. Bids obtained by small purchase rules are opened but are not read publicly.

Once an award has been finalized, the bid file becomes open to the public. Should a vendor wish to obtain more information regarding the competing bids, he or she should contact the Procurement Section for the desired information by referring to the bid number.

Please note that not every vendor is notified each time that INDOT needs to make a purchase.

Purchases Greater Than \$75,000

Competitive bidding varies from Purchases between \$25,000 and \$75,000 only in procedural requirements. If the estimated purchase is valued above \$75,000, an Invitation for Bid (IFB) package is issued and must be advertised twice. Advertisements are published in the Indianapolis Star. Bids submitted in response to an Invitation for Bid are opened and read publicly. The only information read at a public bid opening is the vendor’s name and total dollar amount of the bid.

Quantity Purchase Award (QPA) Purchases

The Procurement Section, on behalf of INDOT, may enter into an agreement by which a selected vendor(s) will provide an estimated quantity of goods and/or non-professional services, at a contracted unit price guaranteed for a specific timeframe, usually two (2) years.

When an INDOT location requires an item(s), which appears on a fully executed QPA agreement, they simply complete a QPA requisition. For certain purchases greater than \$1,000 but less than \$25,000 against a QPA Agreement, the INDOT location has the authority to process payment by a Claim Voucher (method of payment) directly by the Auditor’s office.

QPA agreements may be unilaterally renewed in accordance with the terms of the original contract, upon the recommendation of INDOT locations. After the QPA expires and if INDOT chooses to continue with a QPA agreement, INDOT’s Procurement Section will execute a new agreement based on new bids.

Requests for Proposal (RFP)

The Request for Proposal (RFP) method is used to purchase products and/or non-professional services when price is not the overriding factor. As RFPs are not publicly opened nor read, the contents of the RFP file and all proposals will not be made public until an award is made to the successful vendor and a contract has been fully executed. Vendor requests to review the file may only be entertained after a fully executed contract is received by Procurement.

Preferences and Requirements

Recycled Preference

Businesses that use recycled materials in the production of their product may receive a price preference for evaluation purposes provided the vendor completes and returns the certificate and manufacturer’s certification enclosed with the bid response.

A Recycled Preference of ten percent (10%) may be applied for evaluation purposes, unless stated otherwise in the specifications.

If a certain amount of recycled content is required for the product requested in the solicitation, it will be listed in the specifications. When INDOT buys goods that must have a certain level of recycled content, INDOT will list that requirement in the specs and the recycled preference will not be considered because the recycled content is a requirement in that instance.

If required, recycled content is not listed in the specifications then the item must contain recycled content of at least twenty percent (20%) for the vendor to claim the recycled preference.

U.S. Manufactured Requirement

The State of Indiana promotes the purchase of goods manufactured in the United States. The State requires those articles, materials and supplies must be mined, produced, or manufactured in the United States. This requirement is also referred to as the Buy American.

Indiana Small Business Preference

To claim an Indiana Small Business Preference, the vendor must be certified as a ***small business***. This is a self-certification. To claim the fifteen percent (15%) Indiana Small Business Preference as established in IC 5-22-15-23, the following two (2) criteria must be met. First, the business must be located in the State of Indiana. Second, the business must qualify as a small business concern under the size standards of the solicitation.

Specifications

Specifications serve to keep the purchasing process open by allowing the public to see exactly what is being purchased. Specifications are used during the evaluation of bids to determine whether or not bids are responsive. If a specification promotes both equality of opportunity to bid and objectivity of selection of the successful bidder, then the specification is serving its intent.

Prospective bidders should inform the buyer if the specifications or other bidding requirements are faulty, unnecessary, or inhibit competition. Inquiries concerning inappropriate specifications should be brought to the buyer’s attention as soon as possible, so any valid issues can be addressed in a revision prior to the bid due date and time.

To maintain fair and equal treatment of all bidders, INDOT’s Procurement Section may not hear protests or grant appeals relative to specifications unless the vendor raised the issue, in writing. The letter of protest must be submitted in writing at least five (5) business days prior to the bid due date and time, unless another timeframe has been specified in the Invitation for Bid package.

Telephone conversations with buyers or the requesting INDOT location are undocumented communications and do not waive nor modify the requirements of a solicitation. The buyer will review all inquiries and, if a modification to the Invitation for Bid is appropriate, will issue a revision to all prospective bidders to whom the solicitation documents have been sent.

Ways to Keep Informed About Bid Opportunities

- ✚ Register for INDOT’s free email notification by registering at <http://www.in.gov/dot/publicinvolve/listserv/procurement/>
- ✚ Search INDOT Bids on the Internet: http://www.in.gov/serv/indot_bviewer



Bid Receipt

The vendor response(s) must be received and clocked in by or prior to the due date and time. The bids will be stamped with the time and date they are received by INDOT's Procurement Section.

NO LATE BIDS WILL BE ACCEPTED.

Mistakes in Bids

A vendor may alter or withdraw his or her bid in writing at any time **BEFORE** the bid opens. After the bid opens, the vendor may only withdraw the **bid in writing** before the award has been made. If the vendor withdraws the bid after opening, the bid will be part of the solicitation file and open to public viewing.

Evaluation

When evaluating bids and considering any preferences claimed by the bidder, INDOT's Procurement Section determines the lowest responsive/responsible bidder (the bidder who has conformed in all material aspects to the Invitation for Bid and has the capability to perform the contract requirements and the integrity and reliability to ensure good faith performance) receives the award. If the response does not meet specifications, the next lowest bid is evaluated, and so on, until the lowest responsive and responsible bidder is determined.

After the evaluation and recommendation is complete, INDOT's Procurement Section will issue a Purchase Order and/or contract. Unless "**ALL OR NONE**" is stated in writing on the bid, the Procurement Section reserves the right to split an award if it is determined to be in the best interest of the State. Once an award has been determined, the Invitation for Bid package is considered public information. In the case of RFPs, once a contract is fully executed, all proposals and related solicitation documents become part of the public record.

Payment








All payment obligations are subject to the encumbrance of monies and shall be made in arrears in accordance with Indiana law and the State fiscal policies and procedures; and, in this regard, the vendor agrees to execute such state payment (invoice) forms not inconsistent herewith. Vendor may not submit claim forms before the non-professional services have been performed or the goods being delivered and accepted.

Payment will be made when the complete order has been received and accepted by INDOT. The vendor must send an accurate, original invoice to the “**INDOT Bill TO**” address listed on the purchase order form. If applicable, additional payment terms will be detailed as part of the purchase order/contract.

By law, the Auditor’s Office has 35 days from the date it receives the invoice to make payment. The State of Indiana is exempt from all sales tax.

Minority & Women’s Business Development

The Indiana Department of Administration (IDOA) Minority and Women’s Business Enterprises assist agencies in reaching their respective MBE/WBE goals by:

-  Identifying minority and/or women businesses in the State
-  Assessing the needs of minority and/or women businesses
-  Promoting state purchasing opportunities to the minority and/or women business community
-  Monitoring compliance of the MBE/WBE program
-  Certifying minority and/or women businesses
-  Conducting workshops on state procurement procedures
-  Providing networking assistance, matching majority owned businesses with minority and/or women businesses

To do business with the State of Indiana, it is recommended that a minority and/or women vendor become certified and placed in the Minority and Women’s Business Directory. For more information, refer to the Indiana Department of Administration’s Minority and Women’s Enterprises at: <http://www.state.in.us/idoa/minority/> .

Contract Administration

The primary responsibility is to ensure that the buyer (INDOT) and seller (vendor) are in compliance with the stated terms and conditions within contractual agreements. INDOT’s Procurement Section is responsible after the award for the management of all actions that must be taken to assure compliance with the contract: timely delivery, inspection, acceptance, payment, closing of a contract, etc.

Vendor Protests

- ✚ Pre-award: Vendor(s) may submit a written letter of protest any time during the procurement process outlining specific details of the protested issue. Protests involving inadequate or restrictive specifications must be submitted, in writing, and received by INDOT at least five (5) business days prior to the bid due date and time.
- ✚ Post-award: Vendor(s) may submit a written letter of protest regarding the procurement methods and/or procedures used during a post-award action. The protest should indicate the specific processes which the vendor disputes and the requisition number and, if available, the purchase order number. Protest for post awards must be submitted, in writing, and received by INDOT not more than five (5) business days after issuance of an award.

All protests and disputes should be submitted, in writing, to the Procurement Manager at the address listed below:

***Indiana Department of Transportation
Procurement Section
100 N. Senate Ave., Room N731
Indianapolis, IN 46204
Fax Number: 317 233-2393***

Warning: Severe sanctions will be administered against vendors who consistently issue frivolous protest(s) without regard to the integrity of the procurement system. Vendors may be determined non-responsible and suspended from conducting business with the State of Indiana for not more than three (3) years.

Vendor Performance

Contract Administration maintains official files for vendor performance for INDOT. With assistance from INDOT locations, Contract Administration monitors vendor performance on all INDOT contracts.

Periodically, Contract Administration will review the vendor performance files to look at continued trends of negative performance. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.

Vendors that continue to perform negatively, depending on the facts, may be placed on Surveillance or Suspension. Vendors on surveillance are permitted to conduct business with INDOT; however, vendor performance will be closely scrutinized. Vendors placed on suspension have been determined non-responsible and are not permitted to conduct business with INDOT in any manner. The length of suspension is determined by the facts surrounding the infraction.

When an INDOT location has a complaint about the goods and/or non-professional services procured, a written vendor performance report is forwarded to INDOT’s Procurement Section for review and action.











Receiving personnel are responsible for determining that the goods and/or non-professional services meet the contracted specifications. INDOT’s Procurement Section is responsible for assisting INDOT locations with inventory and non-compliance problems with purchase orders and contracts. INDOT purchasing, receiving, storeroom and warehouse personnel work hand in hand with this section to ensure that quality goods are delivered to the State.

INDOT’s Procurement Section maintains official files of all Vendor Performance reports submitted to our office. These files are reviewed periodically to look for continued trends of negative performance. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.

Vendors that continue to perform negatively, depending on the facts, may be placed on surveillance or suspension. This level of quality control is to ensure that vendors successfully fulfill their contractual obligations with INDOT and maintain a good vendor performance status.

Vendors on surveillance are permitted to conduct business with INDOT; however, vendor performance will be closely monitored. Vendors placed on suspension have been determined non-responsible and are **NOT** permitted to conduct business with INDOT. The length of suspension is determined by the facts surrounding the infraction

Glossary

-  **Bidder** – Refer to the definition of “Vendor”.
-  **Buyer** – This is the person in INDOT’s Procurement Section responsible for procuring specific goods and/or non-professional services for INDOT locations.
-  **Free on Board (FOB) Destination** – A contract term under which the vendor must pay the shipping and handling charges to the point of delivery and retains responsibility for the shipment until it is received by the purchaser.
-  **INDOT’s Procurement Section** – Buys, purchases, rents, leases, or otherwise acquires any goods and/or non-professional services. Performs all functions that pertain to the obtaining of any goods and/or non-professional services, including description of requirements, or solicitation of sources, preparation and award of contracts and purchase orders.
-  **Invitation for Bid (IFB)** – A form of solicitation from INDOT for procurements greater than \$1,000 or for the establishment of a Quantity Purchase Award Agreement.
-  **Minority Business Enterprise (MBE)** - An individual, partnership, corporation, or joint venture of any kind that is owned and controlled by one or more persons who are (a) United States Citizens and (b) members of a racial minority group. Owned and controlled means having: (a) ownership of at least 51% of the enterprise including corporate stock of a corporation; (b) control over the management and active in the day to day operations of the business; and (c) an interest in the capital, assets, and profits and losses of the business proportionate to the percentage of ownership.
-  **Non-Professional Services** – Services rendered by the vendor to furnish labor, time, or effort by a person not involving the delivery of specific supplies other than printed documents or other items that are merely incidental to the required performance.
-  **Out-of-State Corporations** – Also known as a Foreign Corporation, all out-of-state corporations must register with the Secretary of State of Indiana before they can enter into a contract with the State of Indiana.
-  **Quantity Purchase Award Agreements (QPAs)** – Term contracts for goods and/or non-professional services, generally issued for one (1) year with unilateral options by INDOT for renewal.
-  **Purchase Order** – A means of ensuring payment from the State to the vendor.

- ✚ **Racial Minority Group** – (a) Blacks; (b) American Indians; (c) Hispanics; (d) Asian Americans; or (e) Other similar minority groups as defined by 13 CFR 124.103.
- ✚ **Request for Proposal (RFP)** – A method of procuring products or non-professional services in which overall value to the State, rather than price, is the overriding factor. Each RFP has its own set of specifications and restrictions that must be adhered to for a proposal to be considered.
- ✚ **Small Purchase** – A purchase under \$75,000, with the exception of Quantity Purchase Award Agreement.
- ✚ **Supplies** – Property, including equipment, goods, and materials. The term does not include an interest in real property.
- ✚ **Vendor** – The supplier of the goods and/or non-professional services which the State purchases.
- ✚ **Woman Business Enterprise (WBE)** - A sole proprietorship owned and controlled by a woman. A partnership or joint venture owned and controlled by women in which (a) at least fifty-one percent (51%) of the ownership is held by women; and (b) the management and daily business operations of which are controlled by at least one (1) of the women who owns the business. A corporation or other entity (a) whose management and daily business operations are controlled by at least one (1) of the women who owns the business; and (b) that is at least fifty-one percent (51%) owned by women, or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) of the women.